



Environmental Stewardship. Economic Development.

Petroleum Remediation Grants

The Indiana Brownfields Program offers Petroleum Remediation Grant funding to Indiana political subdivisions to assess and remediate petroleum contamination (or petroleum contaminants co-mingled with hazardous substances) at eligible brownfield sites. Other entities, including not-for-profit organizations and private parties, may partner with a political subdivision to receive assistance as a co-applicant.

In late 2006, the Indiana Brownfields Program changed the way that the Petroleum Remediation Grant incentive is administered. The State of Indiana is now divided into seven regions, and an environmental consulting firm has been assigned to each region, based on the results of a Request for Qualifications process. With Program oversight, the consulting firm will be responsible for identifying eligible sites and completing remediation work on sites within its region. The Indiana Brownfields Program has dedicated \$750,000 per region for the work.

Eligibility:

- Brownfield sites that are not eligible for the Excess Liability Trust Fund (ELTF) assistance
- Brownfield sites that are owned by the applicant or co-applicant or that will be acquired by the applicant or co-applicant
- Applicants or co-applicants that are not potentially liable for the contamination

Grant activities:

- Assessing brownfield sites that are contaminated with petroleum products
- Removing underground storage tanks associated with petroleum products
- Remediating petroleum-contaminated soil and/or ground water

Frequently Asked Questions:

How will these recent changes affect grant recipients?

The changes to this incentive mean that as a Petroleum Remediation Grant recipient, you will not have to select an environmental consulting firm to handle your site. The specified consultant for your region will work with an Indiana Brownfields Program technical Project Manager to complete the work necessary to obtain an Indiana Department of Environmental Management (IDEM) No Further Action (NFA) Letter for the site.

Whom can I contact if I have a site that could benefit from this grant?

Each region has an assigned Indiana Brownfields Program Project Manager. Please see the attached map for contact information for your region's Project Manager.

What happens after a site is cleaned up with a Petroleum Remediation Grant?

An IDEM NFA letter is issued when the environmental remediation activities have been completed. If additional site work is necessary to ready a site for successful redevelopment, then Indiana Brownfields Program staff will assist the grant recipient in locating additional resources.

How long will it take to achieve an NFA determination?

The time that a project will take is dependant upon the type and extent of contamination that is found on the property. However, it is anticipated that the majority of sites will generally be remediated within a year.

Frequently Asked Questions, Continued:

Will this satisfy IDEM's Underground Storage Tank (UST) Program as a closure?

Yes. The Indiana Brownfields Program works closely with IDEM's UST Program to ensure that the brownfield petroleum site closures are consistent with those performed under the UST Program.

If I use this grant, will I be required to provide a matching investment?

No cash match or matching investment is required for this grant.

Can this grant be used in conjunction with other Indiana Brownfields Program financial assistance?

Yes. Indiana Brownfields Program Project Managers will work with grant recipients to determine what other state and federal financial resources may be available if necessary.

Can I use grant dollars to resurface a site?

Petroleum Remediation Grants can be used to backfill soil. However, paving or other resurfacing will not be funded.

Will I be liable for contamination on a property at which I use a Petroleum Remediation Grant?

Political subdivisions are often eligible for an exemption from liability to the State for having acquired petroleum-contaminated property either involuntarily or with the intent of remediating a brownfield. See IC 13-11-2-150(c) and IC 13-11-2-151(b). Therefore, unless the political subdivision originally caused or contributed to the release or threatened release of a regulated substance, exacerbates existing contamination, or causes a new release on the site at which the grant money is to be utilized, it will not be liable to the State for the contamination.

Should I consider whether insurance money might be available to help me address petroleum contamination on my site?

Yes. General liability insurance coverage purchased decades ago, even if the original owners and operators presently are no longer in existence (i.e., are bankrupt, insolvent), can sometimes be leveraged to pay for environmental liabilities on a brownfield. In most states, up until 1985, a property owner's comprehensive general liability (CGL) policy included coverage for property damage that includes environmental contamination. CGL policies, therefore, can be an invaluable asset to recover the costs of environmental remediation. These policies have a "long tail" and can cover property damage or other injury that took place during the policy period even though the claim for damages is not brought until long after expiration of the policy.

There are several law firms and environmental consultants in Indiana who specialize in insurance recovery for environmental cleanups and are experienced in both negotiating with potential responsible parties to secure insurance information, as well as locating old insurance policies of companies that are out of existence by conducting insurance archaeology.

If your community is interested in researching whether insurance recovery might be an available tool to address the contamination on your site, we suggest you contact the Indiana State Bar Association (ISBA) for a listing of law firms that specialize in environmental law or have experience with insurance coverage claims for environmental contamination. Contact Barbara Mann at the ISBA at (317) 639-5465 or 1-800-266-2581.

For additional questions, please contact Andrea Robertson at (317) 234-0968 or aroberts@ifa.IN.gov.